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Council of Economic Advisors

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Report on prices.

At the request of the Secretary, I am transmitting this second report on prices directly to you. We plan to have next week's report on Tuesday. How many copies of this would you like regularly?

Attachment

ELS:Ofc. Comm.

EC:gnk

cc - Secretary

Case

Under Secretary

Clague

Case

Reading

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Price and Consumer Buying Developments
October 30 - November 1, 1962

Spot Market Prices

Prices of raw industrials have moved up a little this week. The index advanced from 85.6 (1947-49:100) on Monday to 86.3 on Thursday. Tin and wool tops increased in price. Hides also were up by half a cent.

Foodstuffs were moderately lower on price declines for lard, steers, and sugar.

Weekly W.P.I.

The weekly W.P.I. edged up 0.1 percent, mostly on the strength of a 0.7 increase for farm products, although processed foods and industrial commodities also averaged fractionally higher. The October 30 index was 100.7 (1957-59:100), the same as on October 16.

Retail Food Prices

Retail food price data were collected in 3 cities on October 29-31. The results will be included in the report to be submitted a week from today. The full collection of retail food price data for the November C.P.I. is scheduled next week.

Consumer Buying

In general, consumer buying appears to have settled down to normal. Additional reports have come in describing the rush to buy multi-purpose foods, camp stoves, and other bomb shelter items last week. There were temporary local shortages of some of these items, but merchants appear to have not taken advantage of the situation by raising prices. An interesting new sidelight on people's thinking was provided by a few reports of stepped-up purchases of pistols and other firearms.